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Proposed programme budget for the biennium 2006-2007

Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Revised estimates: effect of changes in rates of exchange and inflation

Thirty-third report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General on the effect of changes in rates of exchange and inflation on the proposed programme budget for the biennium 2006-2007 (A/60/599) and on the proposed budgets of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia (A/60/600). During its consideration of the reports, the Committee met with representatives of the Secretary-General, who provided additional information.

Effect of changes in rates of exchange and inflation on the proposed programme budget for the biennium 2006-2007 (A/60/599)

2. The impact of the proposed recosting on the proposed programme budget for 2006-2007 is a decrease of $52,797,600 under the expenditure sections, from $3,848,580,600 (if the recommendations of the Advisory Committee were to be applied) to $3,795,783,000, and a decrease of $41,496,200 under the income sections, from $468,851,400 (if the recommendations of the Committee were to be

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applied) to $427,355,200. The revised requirements under the expenditure sections of $3,795,783,000 reflect the combined effect of reductions of $29,307,200 recommended by the Committee (as detailed in A/60/599, para. 4), a reduction of $33,860,400 resulting from revised exchange rate assumptions, additional requirements of $24,074,600 related to revised inflation assumptions and a reduction of $43,011,800 due to adjustment of staff assessment ($43,011,800).

3. The recosting described in the report of the Secretary-General is based on the initial budget proposals for the biennium 2006-2007 and the revised estimates to the proposed programme budget for the 2005 World Summit Outcome (resolution 60/1), amended in accordance with the recommendations of the Advisory Committee, using the data available as of December 2005. The Committee points out that the adjustments to the proposed programme budget for the biennium 2006-2007 resulting from its recommendations have yet to be acted upon by the General Assembly.

4. The report provides details on the methodology used in the recosting of exchange rate fluctuations and inflation (A/60/599, paras. 7-11). As indicated in paragraph 1 of the report, consistent with the views of the Advisory Committee, the recosting exercise reflects such operational rates of exchange as would allow for the lowest estimates.

5. As indicated in paragraph 12 of the report, the recommendation of the International Civil Service Commission on a 20 per cent reduction in the staff assessment scale would entail a net downwards adjustment of $43 million under section 35, Staff assessment, of the proposed programme budget for the biennium 2006-2007.

Effect of changes in rates of exchange and inflation on the proposed budgets of both the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2006-2007

6. The recosting reflected in the report of the Secretary-General (A/60/600) reflects the impact of the latest data on actual inflation experience, the outcome of salary surveys, the movement of post adjustment indices in 2005, the effect of the evolution of operational rates of exchange in 2005 and the adjustment in staff assessment rates on the proposed budgets for the Tribunals for 2006-2007.

7. After recosting, the resources requirements for the two Tribunals for the biennium 2006-2007 as proposed by the Secretary-General would amount to $269,758,400 for the International Criminal Tribunal for Rwanda, a decrease of $14,514,800, and $305,137,300 for the International Tribunal for the Former Yugoslavia, a decrease of $15,705,600.

8. In the case of the International Criminal Tribunal for Rwanda, the estimated net reduction of $14.5 million reflects the combined effect of a reduction of $13.6 million due to revised exchange rate assumptions, an additional requirement of $1.5 million for recosted inflation and a decrease of $2.4 million due to adjustment of staff assessment. For the International Tribunal for the Former Yugoslavia, the total reduction of $15.7 million reflects a reduction of $10.7 million due to revised exchange rate assumptions, $1.4 million for recosted inflation and $2.4 million in adjustment of staff assessment.

9. As indicated in paragraph 2 of the report (A/60/600), consistent with the views of the Advisory Committee, the recosting exercise reflects such operational rates of exchange as would allow for the lowest estimates. The adjustment of staff assessment reflects the recommendation of the International Civil Service Commission on a 20 per cent reduction in the staff assessment scale effective 1 January 2006.

10. **The Advisory Committee finds no technical basis for objecting to the revised estimates of the Secretary-General arising from the recosting of the effects of changes in rates of exchange and inflation reflected in the above reports of the Secretary-General (A/60/599 and A/60/600) and accordingly transmits them to the Fifth Committee for consideration.**